

## Internal Revenue Service

Number: **201233004**

Release Date: 8/17/2012

Index Number: 1362.01-00, 1362.01-03

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:2

PLR-110924-12

Date:

April 25, 2012

### Legend

X =

State =

Date =

Dear :

This responds to the letter dated December 15, 2011 on behalf of X by X's authorized representative, requesting a ruling under § 1362(b)(5) of the Internal Revenue Code.

The information submitted states that X was incorporated in State on Date. It was intended for X to be an S corporation effective Date. However, no Form 2553, Election by a Small Business Corporation, was timely filed for X. Accordingly, X requests a ruling that it will be treated as an S corporation effective Date.

Section 1362(a) provides that a small business corporation may elect to be an S corporation.

Section 1362(b) provides that an S election will be effective for the taxable year if a small business corporation makes the election during the preceding taxable year or within the first two and one-half months of a corporation's taxable year. Section 1362(b)(3) provides that an S election made after the first two and one-half months of a corporation's taxable year will be treated as made for the following taxable year.

Section 1362(b)(5) authorizes the Secretary to treat an election as timely made if: (A) an election under § 1362(a) is made for any taxable year after the date prescribed by

§ 1362(b) for making the election for such taxable year or no such election is made for any taxable year, and (B) the Secretary determines that there was reasonable cause for the failure to timely make such election.

Based solely on the facts and the representations submitted, we conclude that X has established reasonable cause for failing to make a timely election to be an S corporation effective on Date. Accordingly, provided that X makes an election to be an S corporation by filing a completed Form 2553 with the appropriate service center effective Date within 120 days following the date of this letter, then such election will be treated as timely made for X's taxable year beginning on Date. A copy of this letter should be attached to the Form 2553 filed with the service center and is enclosed for that purpose.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of the facts described above under any other provision of the Code, including whether X was or is a small business corporation under § 1361(b).

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to X's authorized representative.

Sincerely,

Melissa C. Liquerman  
Branch Chief, Branch 2  
Office of the Associate Chief Counsel  
(Passthroughs & Special Industries)

Enclosures (2)  
Copy of this letter  
Copy for § 6110 purposes